

A Tale of Two Deals

Which deal would your citizens and taxpayers prefer?

The old, bureaucratic deal holds agencies accountable for:



The new, reinvented Iowa Charter Agency deal holds agencies accountable for:



Contents

From the Governor	6
Results Highlights	7
Why Charter Agencies?	8
Department of Human Services	10
Department of Revenue	12
Alcoholic Beverages Division	14
Department of Natural Resources	16
Department of Corrections	18
Iowa Veterans Home	20
Charter Agencies “How To”	22
Charter Agencies Halo Effect	23
Timeline and Milestones	24



Governor Tom Vilsack

Charter Agencies are pioneering a new bureaucracy-busting path for Iowa government. This award-winning innovation has proven how Iowa state government can deliver better service to Iowans by reducing red tape and redirecting that time and energy into results. We hope it can do the same for you.

Americans are challenging their governments today, perhaps as never before. They want their governments to make their communities safe, to educate their youth, to keep us healthy, to create and preserve good jobs, and guard the environment. And they want government to achieve all this at a price in taxes they can afford. Charter Agencies help do just that. By making a new, bureaucracy-busting deal with our Charter Agencies, we have shown how government can do an even better job of supporting our communities so they can be the best places to live, work, and raise families. Charter Agencies also help balance the budget, contributing savings or entrepreneurial revenues.

Iowa stands ready to work with you if you find this innovation intriguing. One of the great things about the Charter Agency concept is that it works at any level of government: local, state, or federal. We hope you will be able to implement your own version of Charter Agencies - one that fits your needs and circumstances - and that your Charter Agencies will improve life for the people in your communities. Please feel free to contact me or the Charter Agency experts listed in these pages.

Sincerely,

iowa charter agencies

Results Highlights

Department of Human Services

- Increased the number of eligible Iowans receiving food and nutrition benefits by 44 percent (June 2003-April 2006).
- Reduced child welfare stays in shelter care by 20 percent, or 10 days.
- Increased children with health coverage by 12 percent in FY05 on top of substantial prior year gains.
- Saved \$1.7 million in the first quarter after implementing a Preferred Drug List for Medicaid prescription drugs.

Department of Revenue

- Improved the rate of income tax returns filed electronically from 55 percent to 67 percent.
- Improved the rate of individual income tax refunds issued within 45 days from 75 percent to 94 percent.

Alcoholic Beverages Division

- Increased General Fund revenue by \$9.7 million in FY04, and \$11.6 million in FY05.

Department of Natural Resources

- Reduced turnaround time for air quality construction permits from 62 to six days and eliminated a backlog of 600 in six months.
- Reduced turnaround time for wastewater construction permits from 28 to 4.5 months.
- Reduced the turnaround time for landfill permits from 187 to 30 days.
- Reduced the time for a corrective action decisions on leaking underground storage tanks from 1,124 days to 90 days.
- Accomplished all reductions without sacrificing environmental standards or quality.

Department of Corrections

- 17 percent more probationers successfully complete their probation.
- Increased recommendations for release to the Parole Board by 5 percent in one year.
- Provided good work experiences for 50 percent more women inmates while reducing operating costs by \$700,000 per year.

Iowa Veterans Home

- Reduced by half the number of residents who have moderate to severe pain, from 15.5 percent in FY03 to 7.7 percent.
- 69 percent of admissions in FY04 completed within 30 days, 90 percent in FY05.

Achievement of the annual \$15 million target for savings/entrepreneurial revenues:

- **FY04 actual: \$22 million**
- **FY05 actual: \$20 million**

Charter Agencies pioneer a new, bureaucracy-busting “deal.”

They volunteer to be accountable for measurable customer benefits and contribute savings/revenues. In return the State exempts them from many bureaucratic requirements. For Charter Agencies, results for Iowans are more important than the rules.

As you have questions, please contact Jim Chrisinger, 515.281.6537, Jim.Chrisinger@iowa.gov

- Authority to purchase travel tickets directly instead of using the state’s travel contractor.
- Exemption from seeking Executive Council approval for out-of-state travel, conference attendance, and professional memberships.
- Access to technical assistance at no charge from experts on innovation and public entrepreneurship.
- Access to a \$3 million Charter Agency grant fund to foster innovation.
- A special process for waiving other administrative rules.
- And more . . .

All commitments to the “deal” are documented in the Charter Agency legislation, Iowa Code Chapter 7J, including statutory enactment of the flexibilities listed above, and in annual Charter Agency Agreements for each agency, negotiated and signed by the agency Director, Governor, and Lt. Governor. Each Agreement leads with a list of the agency’s specific and quantified performance goals and special projects.

Collectively, the six Charter Agencies that stepped forward in FY04 represent almost 30 percent

of appropriated state funds and almost 50 percent of executive branch employees (excluding Regents). The Iowa Lottery has its own, similar new deal. Another aspect of Charter Agency achievement is new awareness and acceptance by those most invested in the rules. Charter Agencies have so far allayed the fears of legislators, media, and central control agencies. The sky has not fallen. There are no glaring examples of that infamous trio: waste, fraud, and abuse. The new Charter Agency “deal” is changing minds. As the cynicism fades and staff realize that the new deal is real, which they doubted at first, they are becoming more creative, assertive, entrepreneurial, and even excited. Iowans benefit.

Costs

There is no program budget as such because there is nothing to administer. The strengthened accountability arrangement, the flexibilities, and the savings/revenues are part of the ongoing operations of the Charter Agencies and the Departments of Administrative Services and Management.

Why Charter Agencies?

Charter Agencies test this hypothesis: Given greater operating flexibility, Charter Agencies will be able to produce better outcomes for their customers at less cost than under the standard bureaucratic system. Charter Agencies waste less time and money on paperwork and low-value-added rule compliance. They redirect that energy into innovation to achieve the results Iowans most value.

The Charter Agency Solution

Here is the Charter Agency “deal,” which can be applied at any level of government. Charter Agencies voluntarily commit to:

- Produce measurable benefits – and improvements in those benefits – for the people they serve.
- Help close the current year’s budget gap through contributed savings or additional entrepreneurial revenues. Charter Agencies must collectively come up with at least \$15 million each year.

In return, Charter Agencies receive:

1. Support from the Governor, Lt. Governor, and the Department of Management.
2. Flexibilities, including:
 - Authority to “stand in the shoes” of the directors of personnel, general services, and IT. Whatever those directors can do, a Charter Agency director can do, without going through personnel, general services, or IT.
 - Authority to waive administrative rules in the same three areas: personnel, general services, and IT.
 - Authority to retain proceeds from asset sales, 80% of new revenues generated, and half of their year-end general fund balance.
 - Exemption from full-time-equivalent employee caps.
 - Exemption from statutory across-the-board budget cuts.

The Iowa Reinvention Partnership, More than Charter Agencies

Charter Agencies is only one of many reinvention activities in Iowa. To help the State change the way it does business, Iowa’s Department of Management issued a request for proposal in 2002 for a “Reinvention Partner.” This partner would engage with agencies and Management to create major reinvention projects and drive culture change. Because Iowa had no money lying around to pay a consultant, the RFP required bidders to propose ways to make the contract self-funding. Public Strategies Group of St. Paul did so and won the competition. Charter

Agencies was one of the partnership’s three main FY04 projects, along with Child Welfare Redesign and a project to improve the local-state government relationship. Governor Vilsack’s Chief of Staff, Cynthia Eisenhauer, confirms the value of the arrangement: “The Reinvention Partnership gives us ideas and tools. It nudges us forward and helps us take on the risks inherent in transformation.” For more information on The Public Strategies Group, contact Babak Armajani, CEO, 325 Cedar Street, Suite 710, St. Paul, MN 55101. 651.227.9774. Babak@psg.us

department of human services

www.dhs.state.ia.us
DHS Contact Person: Bill Gardam,
515.281.5805, Bill.Gardam@hub.dhs.state.ia.us

Charter Agency status has given the Iowa Department of Human Services another tool for creative problem solving. It's not unusual for someone to say, Let's see if there's something in the Charter Agency Agreement that will help us.



The new Web site for employers is simple to use.

Charter Agency grants funded several projects, including a Web site for employers to conduct most of their business with the state's child support system. Employers may use the site to report hires and discharges and to electronically send wage withholdings (child support) that, in turn, are sent to custodial parents. This voluntary tool saves postage costs and administrative time for employers. Since 70 percent of all child support is collected through withholding, it makes sense to simplify this task for employers.

Another Charter grant finances a residency program to train physician assistants in psychiatry, thereby filling a void in psychiatric services in rural areas. Graduates, working under the supervision of a psychiatrist, will be able to perform an estimated 95 percent of a psychiatrist's duties.

Charter Agency status contributed to other advances:

- The creation of a preferred drug list in which Iowa Medicaid negotiates rebates from drug companies,
- The creation of the Iowa Medicaid

Enterprise that generates competition for best-of-breed specialty contracts rather than a winner-takes-all approach to Medicaid administration,

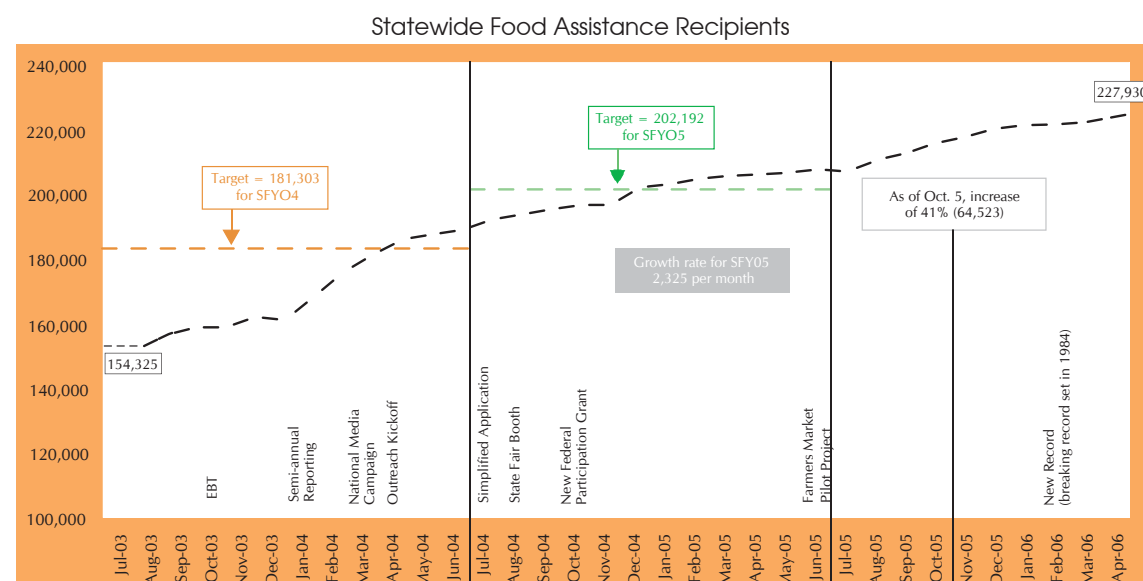
- Higher enrollment in the State's health care insurance program for children, and
- Dramatic increases in food assistance (formerly food stamps).

Progress is assured because of the flexibility extended to Charter Agencies in areas of personnel, administrative rules, travel approval, and information technology.

In addition, Charter status shielded the agency from an across-the-board budget cut that would have resulted in a steep loss of services to Iowans who need them the most.



Children at a farmer's market booth help DHS Director Kevin Concannon demonstrate new technology allowing remote transactions for food assistance customers and bank card users. bottom right, participating merchants display a sign.



Better Nutrition

One of several Charter Agency agreements was to improve nutrition among Iowans with limited incomes by increasing participation in the food assistance program, formerly called food stamps. The program is reaching 44 percent more Iowans — an additional 53,000 — since July 2003, far more than required by the agreement. Iowa led the nation in percentage increase for most of FY05. More than 227,930 Iowans benefit from the food program as of April 2006.

Food assistance benefits are 100 percent federal funds. This program now returns about \$200 million each year to Iowa's food retailers and, indirectly, to Iowa farmers. Several important decisions contributed to this expansion. Although not all were directly related to Charter Agency status, the Charter initiative certainly helped establish the atmosphere of creative problem-solving.





Charter Agency status has strengthened the Iowa Department of Revenue's capability to provide and improve services to its customers – taxpayers, tax professionals, local governments and state agencies.

Charter Agency status also allows greater flexibility in prioritizing projects and utilizing resources. Iowa is first in the nation in e-filing of individual income tax returns. Our customers benefit by receiving their refunds faster, while the department realizes a reduction in costly paper processing and storage.

Fewer steps are required to create new positions and continue the services customers require. In FY05, the department created the eFile Services Unit to respond to businesses that file their returns electronically through eFile & Pay. This new team of six full-time permanent employees and four full-time temporary employees became fully operational prior to the unveiling of the eFile & Pay system.

More than 41 percent of department employees were eligible to participate in a recent early-out program, propelling succession planning to the forefront of department concerns. Charter

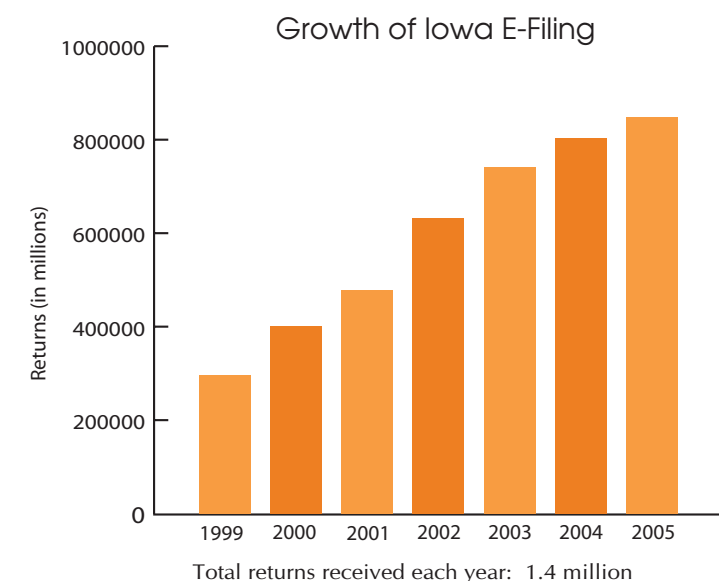
Agency status allows the department to employ replacements and overlap positions for cross-training, resulting in seamless customer service. This was particularly beneficial in the Property Tax Division, where 40 percent of appraisers were indicating likely retirement in FY06.

An intern was hired from the Masters of Public Administration program at Iowa State University to gather information on property tax systems in other Midwestern states and analyze the costs of providing different local government services in Iowa. Mutually beneficial projects such as this can be expedited by the department as a Charter Agency.

Financing for additional positions is available through the Charter Agency Grant Fund. These employees generate an additional \$2.75 million for the State of Iowa, which means more dollars for the citizens of Iowa in the form of government services. Because it is a Charter Agency, the department retains 50 percent of unspent year-end General Fund appropriations, rather than returning 100 percent. In addition, the department is not subjected to across-the-board cuts, which occurred in fiscal year 2004. That year almost \$600,000 – the equivalent of 12 employees and the services they provide – was retained.



Iowa has led the nation in electronic filing of individual income tax returns without a mandate for four consecutive years.



alcoholic beverages division

www.iowaABD.com

Iowa ABD Contact Person: Jim Kuhlman,
515.281.7406, Kuhlman@iowaABD.com

Selected as a Charter Agency by Governor Tom Vilsack, the Iowa Alcoholic Beverages Division committed to increasing its revenue and savings from Iowa's liquor wholesale operation by \$1.25 million in FY04 and by a total of \$5 million through FY05



Charter Agency grant money was used to purchase new computer equipment and design an online licensing system that saves time and improves convenience to licensees.



The division met that goal and then some – posting its single largest annual growth rate ever in FY04. An additional \$9 million (for a total of \$49 million) was transferred from liquor revenues over the prior fiscal year – a \$7.75 million increase over the pledged amount. The division achieved that gain on liquor sales of \$134 million at wholesale, a growth rate of 10.34 percent (in dollars) over the previous year. As liquor sales continued to climb, the division easily eclipsed its revenue commitment again in FY05 with a

General Fund contribution of over \$50 million from gross liquor sales of over \$146 million.

The vast increase in sales numbers was largely the result of several Charter initiatives geared toward revenue growth, including improved tracking for

the division's Temporary Price Reduction (TPR) program. Improved TPR tracking allowed the division to increase investment in supplier-discounted products while working with suppliers to minimize out-of-stock products and maintain a plentiful stock of the leading brands. Furthermore, because of current consumer trends of consuming higher-quality liquor, the division aggressively pursued the addition of premium and super-premium distilled spirits to its product portfolio.

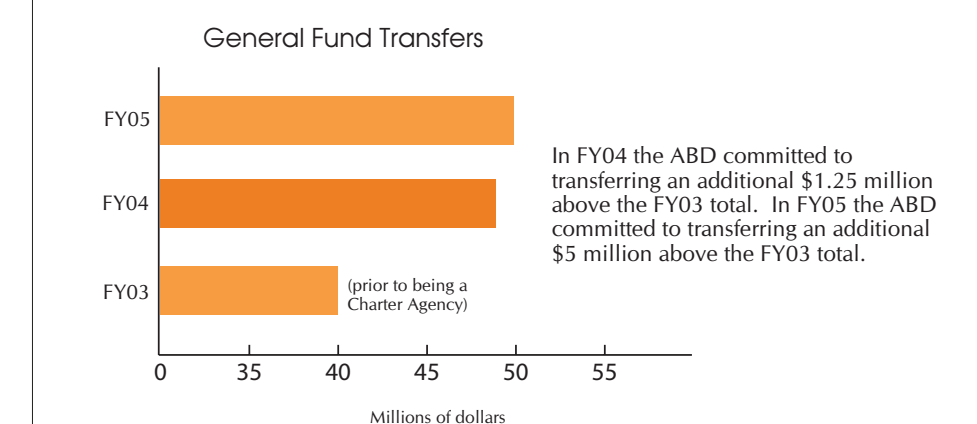
Also in accordance with current premium liquor consumption trends, the division experimented with a variable mark-up rate (VMR) on the wholesale price of vodka, replacing the normal 50 percent mark-up. The VMR ranges from 40 percent to 60 percent in two-point intervals, yielding a price compression that encourages consumers to trade up to top-shelf spirits. While consumers can enjoy premium liquor for a lower price, the "trade-up" behavior allows the division to collect more revenue without a corresponding increase in consumption. For instance, it's better to earn 40 percent on a \$30 sale than 50 percent on a \$5 sale.

The division did not just focus on the revenue side of the ledger. After its private liquor distributor filed for bankruptcy, the division, as a Charter Agency, was able to save a significant amount of money by resuming control of its own warehouse and distribution duties. Consequently, the money previously paid to the private contractor is now deposited directly into the state's General Fund – all while fostering an environment conducive to innovation and customer service. The move allowed Iowa taxpayers to save at least \$1.5 million over the next two years, and minimally \$850,000 each year thereafter.

Further initiatives aimed at cost savings involve the use of technology to reduce operating costs. In August 2005, the division unveiled a new online liquor licensing system that enhances customer service while reducing paper, printing and postage costs. The division is also working toward establishing an online ordering system that will allow licensees to place liquor orders 24 hours a day, seven days a week. Finally, a sales and inventory management system for the liquor warehouse and a system for electronic beer and wine tax reporting are being developed and will take effect in 2006.



As a Charter Agency and with the help of the Iowa Department of Corrections, the division resumed control of its warehouse and transportation operations. The Division initiated a variable markup rate on vodka that increases wholesale revenue without a corresponding increase in consumption.



department of natural resources

www.iowadnr.com

DNR Contact Person: Liz Christiansen,
515.281.3388, Liz.Christiansen@dnr.state.ia.us

Flexibility through Charter Agency status allows the DNR new opportunities, ranging from improvements in issuing permits and collecting fines to creation of new revenues through a retail venture.

“Just the concept of Charter Agency with its potential to shed some of the bureaucratic burdens has changed the way we approach our work, prompting us to be more creative with solutions to our challenges. We are now able to devote our time and resources to obtaining results and rewards rather than struggling within a prescribed set of rules and policies,” said Jeff Vonk, Director of the DNR.

Three DNR Charter Agency Accomplishments

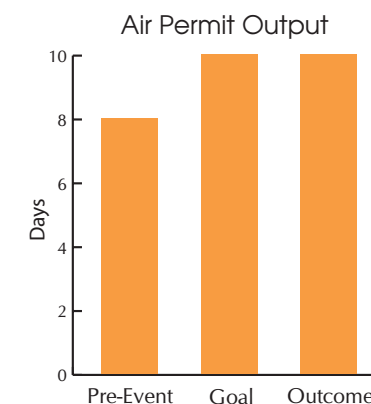
The DNR utilized a continuous improvement tool known as “Kaizen,” which focuses on the process of a given task to improve efficiency. The first DNR Kaizen event, held in the spring of 2003, resulted in a new process for issuing air construction permits that simplified workflow, eliminated several processing steps and reduced issuance time – without sacrificing

quality control and environmental protection. The bottom line was a reduction in the average amount of time to issue a standard permit from 62 days to six working days – a 90 percent improvement – and the elimination of a 600-permit backlog in only six months. Following this success, the DNR conducted a number of Kaizen events throughout the agency and helped other departments within state government to improve Iowa’s economic competitiveness.

The DNR implemented an agreement with the Iowa Department of Revenue to collect outstanding administrative penalties totaling \$500,000. In less than six months, the agreement resulted in collection of approximately \$50,000. The success of this partnership resulted in other bureaus within the DNR seeking a similar partnership with the Department of Revenue to collect money owed, ranging from outstanding fishing and hunting fees to debt owed to the state’s forest nursery.

Established in November 2004, the Nature Store is primarily an online retail store – www.iowanaturestore.com – where customers can purchase apparel and educational materials related to Iowa’s natural resources and outdoor recreation. The mission of the

store is to help Iowans connect with their natural resources. Profits are directed to the state parks fund. The Nature Store also sells at the Iowa State Fair and other special DNR public events. In its first year of operation, the store sold more than \$25,000 in merchandise.



Through process improvement, the department has been able to cut the permitting time from 62 days to less than six days.



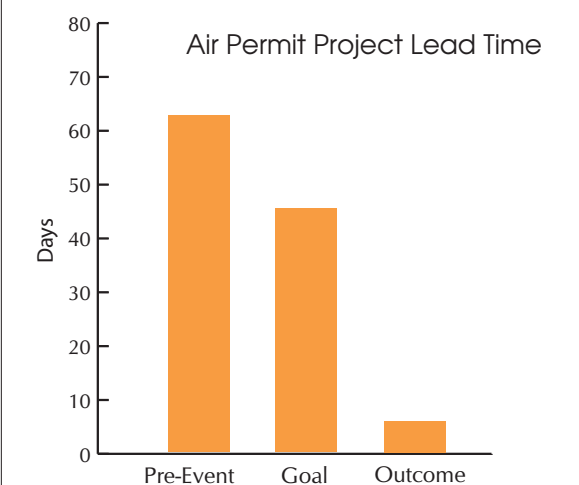
Although the amount of time to issue a permit has been drastically reduced, the amount of time engineers spend reviewing applications has not been reduced.

Looking Forward

The DNR is selecting processes for future Kaizen events and integrating process improvement throughout the agency.

The DNR is also bringing business process improvement to the other executive branch agencies in Iowa to improve the state’s economic competitiveness. Several other agencies held events in FY05, including Economic Development, Public Safety, Human Services and Corrections.

The end result for the Iowa DNR is increased environmental protection and staff efficiency in an age of increased demands upon staff while budgets diminish.



The Iowa DNR issues approximately 2,000 construction permits each year to industries and businesses with emissions to outside air.



A deer and a Department of Corrections car met on a winding southern Iowa road. Neither survived. Corrections might have waited 15 months for a replacement vehicle through the normal procurement procedure.

Reclassifying a Corrections position through the personnel system usually takes a couple of months.

But because Corrections is an Iowa Charter Agency, it obtained a new car in less than a week and a reclassification in a few days.

Cutting through the red tape is helping Corrections save

money and achieve better results. Contracting flexibilities yielded a 40 percent reduction in the cost of generic pharmaceuticals and a 17 percent reduction in non-generic pharmaceuticals. Overall inmate labor experience (in hours) on community service projects was up 7 percent through the first three quarters of FY05. For women

Through collaboration between two Charter Agencies, Corrections and Alcoholic Beverages, women inmates gain opportunities to learn new skills and earn money, enhancing their chances of success on release. They also work on community service projects like the Des Moines Habitat for Humanity Women Build project.

inmates during this time, hours jumped 24 percent.

These kinds of achievements were expected. But Corrections and other Charter Agencies have also seen the unexpected. They report a liberating and energizing effect beyond specific flexibilities. For example:

Corrections is cooperated with a local casino/racetrack and the Animal Rescue League to create two thoroughbred retirement farms to provide excellent work opportunities and rehabilitation for inmates and more humane treatment for the horses.

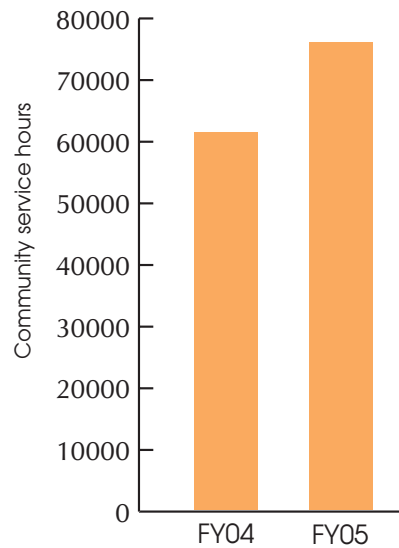
The Veterans Home and Corrections partnered to turn an old kitchen area into an outpatient clinic.

Neither of these actions was impossible pre-Charter, but Charter spark and momentum made them happen.

Legislators' reactions have been positive. When told by Corrections about replacing the car in a week instead of 15 months, one representative's first question was about the price paid. The price was the same, because either way it was purchased off the same high-volume contract. The legislator's next comment was, "Maybe all agencies should be purchasing their cars this way."



Community Service Project Hours
by Women Inmates



The Charter Agency program has encouraged Iowa Veterans Home staff to look at new ways to address problems and propose solutions.

The IVH used grant funds to assist current resident treatment workers to advance their education in a one-year Licensed Practical Nurse program. This opportunity addresses the current shortage of qualified nursing personnel by “growing” IVH own staff. The LPN education program allows qualified employees

to pursue academic improvement through a combination of funding and work schedule modifications, both designed to make employees successful. Those employees seeking to advance their careers find the program especially rewarding.

In partnership with the Department of Natural Resources, the agency employed the Kaizen improvement process to improve the administration of medications on nursing care units. After the project, the lag time between order writing and delivery was reduced by 50 percent. Also, the time spent each shift to set up the med carts was reduced through reorganized workspace.

Progress

The increase in the number of individuals coming to the IVH with health problems related to obesity led to a new partnership with other state agencies. IVH is collaborating with the Department of Public Health on wellness grants to address obesity in the state. The intent is to include wellness initiatives programming for IVH residents and staff. Two IVH staff members are serving on the state task-force for wellness.

A Charter Agency grant enabled the IVH to develop a quality of life survey. The survey measures resident satisfaction with their quality of life

and those quality of life aspects in the control of the agency. The staff use the survey instrument to improve resident life, which will be shared with other long-term care facilities throughout the state as well as veterans homes across the country. The sharing will be done via the facility Web site linked to the survey. This survey, the first-year results and the proposal to share with other Iowa nursing homes were presented to the Iowa Foundation of Medical Care Quality Forum in May 2005.

New Programs

The IVH developed a new employee recognition program designed by the Employee Recognition Process Action Team. Charter Agency directors are not restricted by current state guidelines regarding employee recognition. The director is able to recognize and reward individuals and teams for their significant contributions toward the achievement of goals and projects.

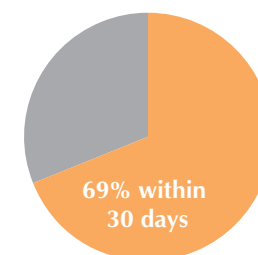


A group of front-line employees participate in a Kaizen improvement effort to improve the medication administration system.

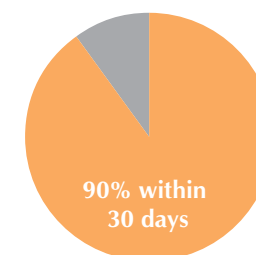


Education efforts continue after employees are hired by IVH. A new grant program allows current employees to complete education as Licensed Practical Nurse.

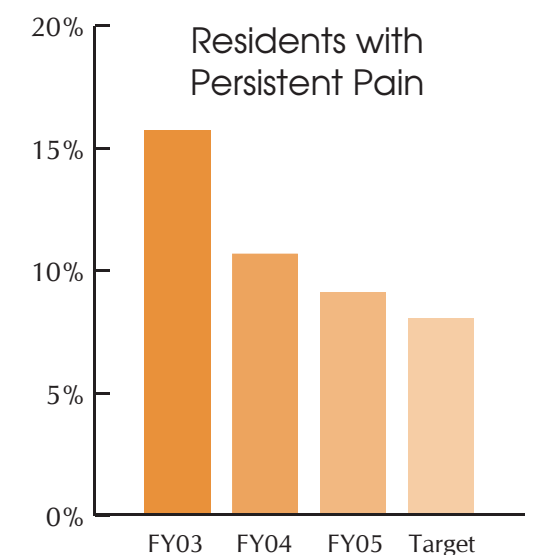
Admission Waiting Time Reduction



FY04 Admission Waiting Times



FY05 Admission Waiting Times



Charter Agencies “How To”

You can implement Charter Agencies in your jurisdiction.

As you have questions, please contact Jim Chrisinger,
515-281-6537, Jim.Chrisinger@iowa.gov

We do not recommend that you do it exactly how Iowa did it. Your “better deal” needs to fit your particular needs and circumstances. What is important is that your deal creates better results, that it makes producing results more important than following rules.

The “how to” outline below is based on Iowa’s state-level implementation, but Charter Agencies can work just as well at other levels of government.

Step One Align the Stars: Commitment

- A.** You need a Champion at the top. Must be the person who can grant the authorities and flexibilities and hold the agencies accountable for results.
- B.** Also a Sponsor, someone who will more directly oversee development and implementation.
- C.** And good staff to handle day-to-day communications, implementation, and documentation.
- D.** Once a commitment to Charter Agencies is seriously contemplated, meet with the key people who could make or break Charter Agencies. Outline the plans and the rationale. Make the case for how Charter Agencies can produce better results and bust bureaucracy. Listen to their concerns. Ask for their cooperation and assistance.

Step Two Design Your Better Deal

- A.** Decide generally what you want your Charter Agencies to accomplish. At this point, because your Charter Agencies will not have been identified, you cannot identify the specific results important to those served by each Charter Agency. So broadly outline what you want “get” for “giving” more authority, autonomy, and flexibility.
- B.** Decide what new authority, autonomy, and flexibility the Charter Agencies will have in return for their commitment to produce the results outlined above. Start by exploring agencies’ “pain.” Gather agency representatives and brainstorm a list of the laws, rules, procedures, processes, traditions, and other ways you do business that add the least value, waste the most time and money, inhibit rewarding excellence, and most hinder their ability to produce results.
- C.** Address other issues, such as
 - 1.** Designating Charter Agencies: who will name

- them, volunteer or mandated, “unnaming.” Any agencies not eligible because of a “conflict of interest” in some way, e.g. the administrative agencies.
- 2.** Sunset or duration of Charter Agency status, or not.
- 3.** Technical assistance for Charter Agencies: what assistance is most likely to be needed, who can provide it, and resources needed.
- 4.** Reporting: to whom, how often, what content, by what means.
- D.** Test the outlines of your Charter Agency deal with your stakeholders. Modify, based on their feedback.

Step Three Implement: Make the Better Deal the Reality

- A.** Draft, vet, and pass any required legislation. (Iowa’s legislation can be found in the Code of Iowa, Chapter 7J.)
- B.** Establish accountability mechanisms, e.g. a Charter Agency Agreement outlining each Charter Agency’s commitments and benefits, web reporting of commitments and results, and linkage with your jurisdiction’s other accountability tools.
- C.** Establish roles and processes.
- D.** Educate all involved. Share answers to questions with all concerned.
- E.** Communicate, communicate, communicate. Listen.
- F.** Cultivate a relationship with a reporter or two.

Step Four Nurture: Support Charter Agencies

- A.** Provide ongoing information on developments, successes, and modifications to the Champion, Sponsor, Charter Agencies, stakeholders, and anyone who’s interested.
- B.** Support Charter Agencies:

- 1.** Answer questions; find answers when you don’t know
- 2.** Bust barriers as they appear
- 3.** Defend Charter Agencies when they are challenged
- 4.** Mediate disagreements and solve problems
- 5.** Provide advice and encouragement; facilitate sharing among Charter Agencies
- C.** Document, discuss and share learning and progress. Apply the learning to improve Charter Agency implementation.

Charter Agencies Halo Effect

“Halo effect” is the term we use to describe improvements that Iowa Charter Agencies have reported, actions that are only indirectly attributable to Charter Agency status. These actions did not require Charter Agency authority, but the agencies report that they would not have happened in the pre-Charter Agency environment. Charter Agencies has had the effect of prompting new creativity and assertiveness.

Examples

The Departments of Human Services and Corrections
are consolidating pharmacy purchases to save money. (The halo effect prompted the initiative; then the “stand in the shoes” purchasing authority made it work better.)

The Alcoholic Beverages Division
is developing three major on-line systems to better serve their customers: liquor licensing applications, tax reporting and payments, and product ordering.

The Department of Corrections
joined with a local racetrack and the Animal Rescue League to create a thoroughbred retirement farm to provide work opportunities and rehabilitation for inmates, as well as a safe haven for retired racehorses.

The Veterans Home and Corrections
partnered to turn an old kitchen area into an outpatient clinic.

The Department of Natural Resources
created an on-line Nature Store that sells outdoor recreation, conservation, and wildlife-related clothing to raise awareness and a little revenue.

Department of Corrections
leaders increasingly talk about “running their business.” “Charter Agencies gave us the confidence to try something new – trying to run like a business.” Examples: Reference Point consultants work currently underway to save money; week of January 23, 2006 Kaizen event on procurement, delivery, and inventory processes; work continues with the Department of Administrative Services and others on purchasing.

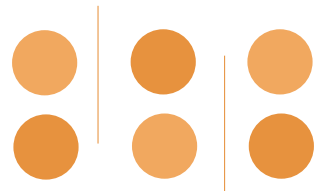
The Department of Human Services
dramatically changed the way they implement Iowa’s Medicaid program. Instead of hiring one major contractor for the bulk of Medicaid administration, the State of Iowa took over the general contractor role and sought bids for best-in-breed services for each of the eight major functions that make up Medicaid. DHS then put all the winning providers under one roof on one information and data warehouse system. Iowa is now both saving money and providing more and better service to Iowa’s Medicaid clients.

An expanded and more detailed version of this “how to” and Halo Effect appears on the Iowa Charter Agency website: <http://charter.iowa.gov>

Iowa Charter Agency Timeline and Milestones

2003	January	Charter Agency idea first proposed to legislators.	
	May	Charter Agency legislation signed into law.	
	July	By Executive Order, Governor Vilsack designates six Charter Agencies.	
	August	First distribution of Charter Agency grant funds, to the Department of Revenue	
2004	November	First quarterly report documents flexibilities exercised.	
	April	Senate File 2298 signed into law, adding to Charter Agency flexibilities.	
	August	FY 2004 fiscal results: \$22 million savings/revenue achieved. Exceeds goal of \$15 million.	
	October	First administrative rule waived.	
2005	May	House File 837 signed into law, adding to Charter Agency flexibilities.	
	June	Charter Agencies win Council of State Governments Innovation Award.	
	July	Charter Agencies win Innovations in American Government Award, sponsored by the Ash Institute, Kennedy School of Government at Harvard, and the Council on Excellence in Government. Debut of Iowa Charter Agency website.	
	August	FY 2005 fiscal results: \$20 million savings/revenue achieved. Exceeds goal of \$15 million.	

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Innovations in American Government Award Winner (2005)

Council of State Governments Innovation Award (2004)



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dynamic innovation results

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Charter Agency Contact Person:
Jim Chrisinger, 515.281.6537, Jim.Chrisinger@iowa.gov

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